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**POLITICAL REFORM DIVISION**

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BILL JONES

Secretary of State
State of California

September 7, 2001

Dear Vendors and Treasurers:

Secretary Jones is committed to the full implementation of Proposition 34 and other changes in the law that impact the CAL-ACCESS system. Together, we've built one of the best electronic filing systems in the nation. We are confident this reputation will remain. However, the interactive nature of the system and the number of components that are affected by any changes to forms that feed the system mean it is not an easy or quick process to make modifications to CAL-ACCESS. Electronic filing and its numerous subsystems (validator, parser, loader, print engine, CAL format), web pages and the pdf generator, our back-end agency management system, and our database all require changes when data requirements change. The approval processes, in terms of both amending forms and securing budgetary resources to perform the work, have taken significant time, more than we would have anticipated earlier this year. Because the development work is in progress and substantial, we will accept the new Form 460 CAL format transmissions for the January filings. However, together with the FPFC we've worked out a short-term solution to meet electronic filing requirements for October's reports.

At its meeting on September 10, the Commission is expected to adopt the instructions that accompany the new Form 460 (adopted at the June 8 Commission meeting) and to order the form's use for the paper versions of all future filings. We cannot electronically accept the new format for the Form 460 yet. In order to facilitate compliance and not unduly burden vendors and filers, an interim solution is being proposed. You will be hearing directly from the Commission about the paper filing requirements and a means by which paper filers who also electronically file might modify their old 460 format filing system to generate the appropriate paper reports without having to significantly retool their electronic filing systems. If your print engine is dependent on your electronic filing system and/or you rely on the Secretary of State's CA print to produce your paper filings, you will want to pursue the FPFC's suggestion about requesting an expedited opinion letter to allow the use of memo fields to provide the data that is now required on the Form 460, 6/01 version.

The purpose of this letter is to provide the suggested format for vendors to use for the October filings that allows electronic state filers to provide all the required new data while still using the earlier 460 e-filing format. By using the electronic memo text field at the appropriate locations in the data stream, you will be able to provide the required data and enable the public to monitor compliance with new state laws. The

requirements of Senate Bill 2076 relating to loans can be met by using the old 460 format's Schedule B, Parts 1, 2 and/or 3, as appropriate; this schedule was previously only needed for end-of-year or termination statements. In addition, we believe the memo fields only need to be used in cases where, for instance, a contribution exceeds the amount allowed and an allocation to more than one election is necessary. For example, if Donor A contributes \$3,000, it should be presumed for the October filing that the donation is entirely for the 2002 Primary; the electronic memo field would not be necessary to clarify this. If the contribution were for \$6,000, however, the memo would be used to explain that \$3,000 is for the 2002 Primary and \$3,000 is for the 2002 General Election.

If you will format your electronic memos exactly as we are recommending in the enclosed document, the data can actually be parsed at a later date if we need to feed it into the database.

Please be advised that it is our intention to ask you to amend this October filing in January once the new requirements of Proposition 34 and SB 2076 are fully implemented in our CAL-ACCESS systems. By doing so, we will be able to accurately and completely populate the web pages which the public wishes to see and search.

We believe this proposal is the best means of accomplishing full disclosure of required information and allowing the Secretary of State to continue on our development path to ensure delivery of the new 410, 496 and 497 formats in December, and the new 450, 460, and E530 forms in January of 2002.

As always, feel free to contact me if you have questions or concerns. My e-mail address is cdaniels@ss.ca.gov, and my phone number is (916) 657-2133.

Sincerely,

Caren Daniels-Meade, Chief
Political Reform Division

CD-M:sif
Enclosure

P.S. With the urgency enactment of SB 34 on September 4, the new electronic filing requirement for state candidates/officeholders and ballot measure committees to report within 10 days any receipts of \$5,000 or more is in effect. You should use the current electronic filing Form 497 for this purpose; you should use the electronic memo field if you need to indicate the two codes which currently don't exist in the E497 CAL format (small contributor committee [SCC] or political party [PTY]). This is

a requirement only for those who have an electronic filing obligation, and does NOT require submission of a similar paper report.